

UTILITY ADVISORY BOARD
Water Administration
Thursday, March 15, 2018
8:00 a.m.
AGENDA

1. Approval of Minutes –January 18, 2018- attached
2. Public Comment on Agenda Items
3. **ACTION ITEM** - Marketing Recommendation – Tom Almonte, Ben Swayze, Mike Lunn - attached
4. Water Affordability – FWICC Water Rates Sub Committee Memo – Molly Eastman -attached
5. Update on service agreements – Molly Eastman - attached
 - a. Third extension
 - b. Fifth Amendment
6. Financial Review & Operations Graphs – Molly Eastman - attached
7. PFAS Source Evaluation and Reduction Requirements Under the IPP – Mike Lunn - attached
8. Biodigester Presentation – Mike Lunn
9. Updates
 - a. Monthly Contract Awards – None
 - b. Concentrated Waste Pipe – Mike Lunn
10. Public Comment
11. Items from Members
12. Next Meeting –April 19, 2018, 8:00 a.m.
13. Adjournment

**Utility Advisory Board
Minutes
January 18, 2018 – 8:00 a.m.
1900 Oak Industrial Drive**

Present: Jenessa Carter, Ed Robinette, George Haga, Nicole Pasch, Samaria Giffel, Chuck Schroeder, Wayne Jernberg, Michael Grenier, Tim Bradshaw, Breese Stam, Darrell Schmalzel, Tom Almonte, Molly Eastman, Eric DeLong

Also Present: Richard Wendt, Dickinson Wright, Alicia Bernt

Call to Order

Tom Almonte called the meeting to order at 8:02 a.m.

Public Comment

None

Approval of Minutes

Motion by Chuck Schroeder, supported by Tim Bradshaw, to approve the minutes of the December Utility Advisory Board

MOTION CARRIED.

Public Comment

None

Fifth Amendment Water and Sanitary Sewer Agreement - Richard Wendt

Richard Wendt, Dickinson Wright, stated that the amendment applies to retail but is similar with all the same language as the wholesale agreement. There are six changes reflected. The first change is regarding the method of calculated integrated connection fees. The new connection fees go in on the first of April.

George Haga indicated that regarding wholesale, it was his understanding that if they set up their own accounts, the fees were not applicable. They pay engineers for most all of the other work. It was his understanding that those are applicable to wholesale customers. Wayne replied that they do not assess a connection charge for developments in Ada Township. Ultimately, the same amount is paid. Richard Wendt indicated that there is an integrated connection fee that everyone will pay. That fee would go as a credit to the revenue requirement as it is currently.

Wayne Jernberg indicated that there is a level of service that goes into this. The level of service that Grand Rapids provides is similar to the service that Ada provides. Grand Rapids is reviewing all of that to ensure that the service is adequately billed out. The level of service is the same in Ada Township., whether it be the same cost or not. Therefore, when that is collected in Ada Township you are still getting the benefit for that and getting the level of service. You share in the integrated connection charge. Eric DeLong noted that the system makes sense for resale but not for wholesale. When we had the fee initially, there was no methodology for the integrated connection fee. There was not a distinction between resale and wholesale. It may be prudent to go back to the old method. It would be necessary to change the language of the report and the language in the contract.

Tim Bradshaw noted that it does not make a lot of sense, but you should not share in the revenue if you are not going to pay it. Ed Robinette suggested taking the sum by meter size and calling it wholesale connection charge. As the retail changes over time, the wholesale would reference that. The connection fee shall be established in accordance with how the retail fees are established.

Wayne Jernberg indicated that it may need to be presented in a different format. That can be accomplished by changing the exhibit. Richard Wendt explained that it was broken down by meter size with the same formula but at a reduced rate. Wayne Jernberg noted that they are by meter size. We did a study and took plan reviewers and the output of the plan, reviewer by the size of the meter, the number of hours associated, the meter gets sized and they keep track of the hours. There might be a plumbing inspector. Staff came up with an average size and that is how we came up with those rates. Richard Wendt noted that he would prepare a revised Exhibit C1 for the wholesale and get that to the wholesale customers. Molly would prepare a revised chart. Wholesale integrated connection fee will be connected to the resale connection fee. Richard Wendt stated that there would be a schedule of fees which would conform to the adjustments in connection fees for retail customers. Molly Eastman would provide the list of connection fees and will circulate it to the group. The UAB can approve it today with the changes. Mr. Wendt has prepared form resolutions so that they can be circulated

The first change involves surcharges. The prior agreement stated that surcharges needed to be uniform. Based on the biodigester project, it was determined that the system received benefit of how it receives the surcharges. It could reduce operating cost or maximize the economic use of the facility. This allows for adjusted surcharges. The next amendment involves how the Utility Services District is established. He added language that describes the process that should be followed. If an individual comes forward with a change, a request is submitted to the UAB. The UAB makes a determination if their requirements are met and it is then approved. A revised map is prepared.

The next change involves UAB, the larger boundary and changes with that. When that occurs, a request is submitted to the UAB. The board reviews it and makes a recommendation to the legislative bodies. A map is then prepared and substituted for the existing map. The next change involves recognizing that the UAB has established rules and recommendations for operations in the system which have not gone back to the various legislative bodies. This continues that practice. Various maps of all communities are attached.

Exhibit A1 and A2, show the City of Grand Rapids service area. These exhibits will be substituted to all of the customer communities, UUB and USD. George Haga asked for a redline copy of the changes. Richard Wendt responded that they would send one out. He would retain the Grand Rapids map as part of continuity.

Darrel Schmalzel asked if this incorporated the five year extensions. Richard Wendt replied that this should be adopted before April 1st. He would circulate and send to retail customers a clean and redlined changes of the wholesale and include a copy of the resolution. Molly Eastman will obtain signatures.

Dick Wendt and Eric DeLong will go back and look at the UAB Subcommittee report. The report may need to be updated to reflect different treatment of the wholesale customers. The memo that was written by Eric in the agenda packet might be a template for introduction to board members. The agreement schedule B summarizes the six changes.

Motion by Ed Robinette, supported by Wayne Jernberg, to approve and recommend the Fifth Amendment to be adopted by the City of Grand Rapids and each of customer communities and to approve the revised Rate Review Subcommittee report including the wholesale change.

Motion Carried.

Regarding extensions, the agreement provided in the term is 30 years. Every five years there is an evergreen provision. Each community is entitled to extend the agreement. That becomes important when bonds are issued. We have gone through three extensions. The last extension was not approved because of the issue with connection fees and Grand Rapids Township. It would now be appropriate for Grand Rapids Township to approve their copy of the extension which would take everyone to 2043. If it is done at the same time as the fifth amendment, they can include it in the contract amendment. Everyone else did approve that extension back in October except Ada and Cascade. Ben Swayze will check from Cascade Township.

Mr. Wendt indicated that next time that the UAB considers a five year extension under the evergreen is this fall. At that time they will prepare a fourth extension for consideration this fall which would go through December 31, 2038. Molly Eastman will set up a tickle file. That process should be started in August. It needs to be done 30 days before the end of the year. It should be included on the agenda in August. The original agreements should be included as well as five amendments and the extension in one book so that everyone knows what we are dealing with.

Corrosion Control Treatment

Dave Harran indicated that the DEQ reached out and wanted to set up a meeting to discuss the COC program. Staff met with the DEQ last week. They are recommending to narrow the range of the gage levels to the raw water. Staff is not accepting of that change. We were convinced to proceed with a study to review the Corrosion Control program. It has been 25 years since there was a similar study.

Tom Almonte thanked Dave Harran, Mike Grenier and Wayne Jernberg. We will get the plan approved by the DEQ and then will invite the consultant to come back and talk about programs to the Utility Advisory Board.

Kent County Community Action – ICBP Update

Samarhia Giffel congratulated Nicole Pasch. She was instrumental in starting the program. It has been very successful. The numbers have been updated on the demographic summary. Samarhia discussed the 2017 demographic summary. Going forward, it is good that ASCET changed over to KCCA. Kent County is going to merge different assistance programs and we can try to see how it helps. How can we get all the systems to partner at once? They will be able to see what is going on with that household including weatherization and energy assistant programs. The hopes are that more households will be served. Eric DeLong asked if there was a new contract with the agencies. Samaria replied that they had not yet completed the contract. Latoya Black is currently out on leave. Staff is still trying to get everything organized. It will go to the KCCA board. Tom Forshee is currently reviewing it. The contract did expire. Eric DeLong stated that there would be questions about this in the future. It would be good to have an updated chart.

Combined Operational Graphs and Financial Report

Jenessa Carter reported that in the fall, staff had the opportunity to go out to water and sewer with Task Five adjustments to personnel. She has been helping out at sewer with accounts payable, bills and invoicing. That has helped in terms of financials. Molly gave an update that the final rate study was sent to the printer. It will be distributed as soon as the print job is complete and is available on the web site. The Citizen's Guide has been up for a month. Staff should be notified if more information is needed. Looking through retail service charges, both retail and wholesale dollars are up. The actual adjustment is \$80,000 positive. Miscellaneous revenue - \$767,000 dollars difference, an amazing difference. At this point in time there was a new financial assistant. He started in late November. The next time these are presented they will look different. Regarding investment, expenditure side, there are a lot of staffing changes. Regarding water, it is a similar story. Retail and wholesale are up for water. The same type for miscellaneous. The change is primarily the interest on investment. We did not see the same delay in billing expenditures. We are still using temp staffing. Supplies are up. Otherwise we are starting to see personnel changes. The graphs are presented every quarter. Treated flow is up. Pump flow the peak extended further out. Year to date billed flow. We are trending higher for sewer. One percent different then three year average. The four percent is the change in the three year average.

Eric DeLong indicated his interest in tracking customer connections. It would be important to sort out economic growth. The number of connections is going to be important. We do not want the use per customer to increase. If staff could start tracking that between total system by community or somehow report calculated customer meters. Staff worked on this before. It will take coordination with communities.

Updates – Monthly Contract Awards - Breese Stam

No new awards took place in December. The work is done every year involves looking at asset management. Wayne works with the capital planning to determine what projects need to be done. Staff is also working with roads and other utilities using PASER ratings to identify what roads are being repaired. Staff work together to define the projects. Staff is currently in the middle of that process. The project list has been submitted and adjustments are being made.

Eric DeLong indicated that staff is working on operating and capital budgets. Capital was due January 8th. Capital budget should be put on the agenda for the next meeting.

Public comment

None

Next meeting

Update from Members

Wayne Jernberg gave an update on lead and copper. The public hearing will now be held at the end of February. Chuck Schroder reported on the biodigester.

The Utility Advisory Board was adjourned at 9:24 a.m.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: March 15, 2018

TO: Utility Advisory Board (UAB)

FROM: Tom Almonte, Managing Director-Public Services; Michael Lunn, Environmental Services Manager; Ben Swayze, Cascade Township Manager; Amie Merren, City Purchasing Agent

SUBJECT: **Marketing Services RFP Recommendation**

A Request for Proposal for marketing services to promote connection to public water and sewer systems was issued to 31 vendors; responses were received from SeferthPR, The Image Shoppe and Byrum & Fisk.

UAB members, Tom Almonte, Mike Lunn, and Ben Swayze along with City Purchasing Agent, Amie Merren, conducted a review and analysis of the responses. Based on that review, the UAB members are recommending to award The Image Shoppe a one-year term contract with, two, one-year renewal options for an amount not to exceed \$50,000 annually for the purpose of developing and supporting a marketing strategy for the UAB. The Image Shoppe is recommended as it provides the best value to the City/UAB based on the highest composite score according to the criteria specified in the RFP document. The responses were evaluated based on company overview and summary, including local office; proposed services/scope of services to be provided including development timelines; references; demonstrated experience; and costs and fees. The bid tabulation including costs and composite scoring is attached.

We are also recommending the approval of an annual marketing material and media buys budget not-to exceed the amount of \$25,000 annually for the purchase of marketing materials and media buys, such as printing, direct mailings, billboards, PR events, etc. Quotes will be requested for the purchase of future marketing materials and media buys as needed.

BID TAB

<p>BID REF #961-53-10 BID OPENING DATE: February 16, 2018 FOR: Marketing Svcs - Utility Connections # BIDDERS SOLICITED: 26 BUYER: TW DEPT: Executive/Utilities</p>		Composite Score
<p>Byrum Fisk Communications LLC 1501 North Shore Dr Suite B East Lansing MI 48823</p>	<p>\$2500/month retainer for 10 months (\$25000) Design costs: \$150/hour Printed materials: per piece rate, TBD Advertising: agency rate - 15%</p> <p>Focus Groups: \$1500 roundtable \$5500 full-focus group online survey development: \$150/hour Crisis Communications: \$250 normal business hours Mileage: IRS rate, other travel at cost</p>	208
<p>The Image Shoppe 756 Fulton Street West Grand Rapids MI 49504</p>	<p>\$50,000: Discovery & Research \$12,500 Planning & Strategy \$3,250 Creative Development \$16,750 Advertising/PR/Production \$17,500 Staff rate: \$115/hour</p> <p>Milestone invoicing Clark Communications: subcontractor</p>	245
<p>Seyferth PR 40 Monroe Center NW Suite 202 Grand Rapids MI 49503</p>	<p>Research & Development \$7,500 Design/Print materials \$14,500 Plan Execution \$3,100/month, for 9 months Staff blended rate: \$125/hour</p>	233

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: March 15, 2018

TO: Utility Advisory Board

FROM: Molly J. Eastman, Fiscal Services Manager

SUBJECT: **Water Affordability – Flint Water Interagency Coordinating Committee (FWICC), Water Rates Sub-Committee**

Policy for meeting public water service obligations is governed by the 1996 Amendments to the Federal Safe Drinking Water Act (SDWA), which required each state to develop strategy to develop the technical, managerial, and financial capacity of all of all water systems. Michigan's strategy was published by the State in 2000.

In effort to build on the findings of the Michigan's 21st Century Infrastructure Commission, the FWICC subcommittee's is engaged in a comprehensive and independent review of the state's approach to regulating the water sector. This effort includes updating state-wide policy that focuses on improving ratemaking and rate affordability.

I have been tasked with representing Western Michigan in this effort and attended a preliminary meeting in the Governor's Office along with representatives from Flint and Detroit on February 26, 2018. From the preliminary list of recommendations, the committee is working on developing more specific policy on the following issues:

1. Initiate a form of backstop economic regulation to ensure that rates established by communities are just and reasonable within broad parameters and less vulnerable to legal challenge.
2. Develop legislation or rules that explicitly enable Michigan water suppliers to implement rate structures and fund programs that help ensure affordable universal access to services that are defined in public health terms.
3. Establish a state policy to advance comprehensive use of payment plans, assistance programs, that feature water use efficiency measures, and rate structure revisions to assure universal access and water affordability. (The Detroit Water and Sewerage Department's policies, programs and rate initiatives that have yielded compelling results may serve as a model.)

The committee intends to meet again soon for more discussion which will eventually lead to drafting a new policy to update the standards set by the Michigan Department of Environmental Quality: Drinking Water and Radiological Protection Division in 2000.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: March 15, 2018

TO: Utility Advisory Board

FROM: Molly J. Eastman, Fiscal Services Manager

SUBJECT: Update on Status of Contract Extensions and Fifth Amendments

The adoption of the Third Extension to the Water and Sewer Service Agreements and the Fifth Amendment to the Water and Sewer Service Agreements is scheduled to be presented to the City of Grand Rapids Commission for approval on March 27, 2018. Before the Commission can act on these resolutions, however, all partner communities of the Water and Sewer Systems are required to obtain legislative approval of their governing bodies and provide the executed agreements to the City.

These are the remaining items still needing to be received by the City of Grand Rapids as of March 9, 2018:

Third Extension to the Service Agreement:

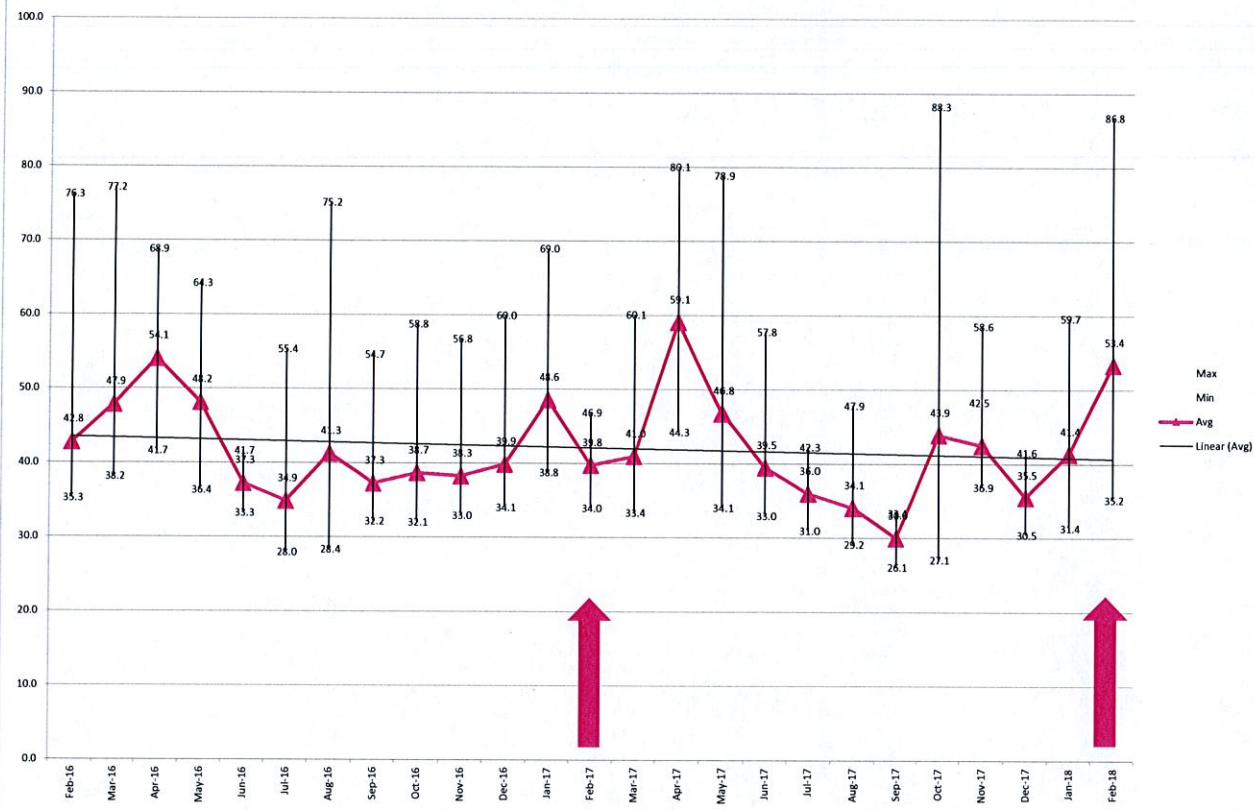
Ada Township
Cascade Township
City of East Grand Rapids
Tallmadge Charter Township

Fifth Amendment to the Service Agreement:

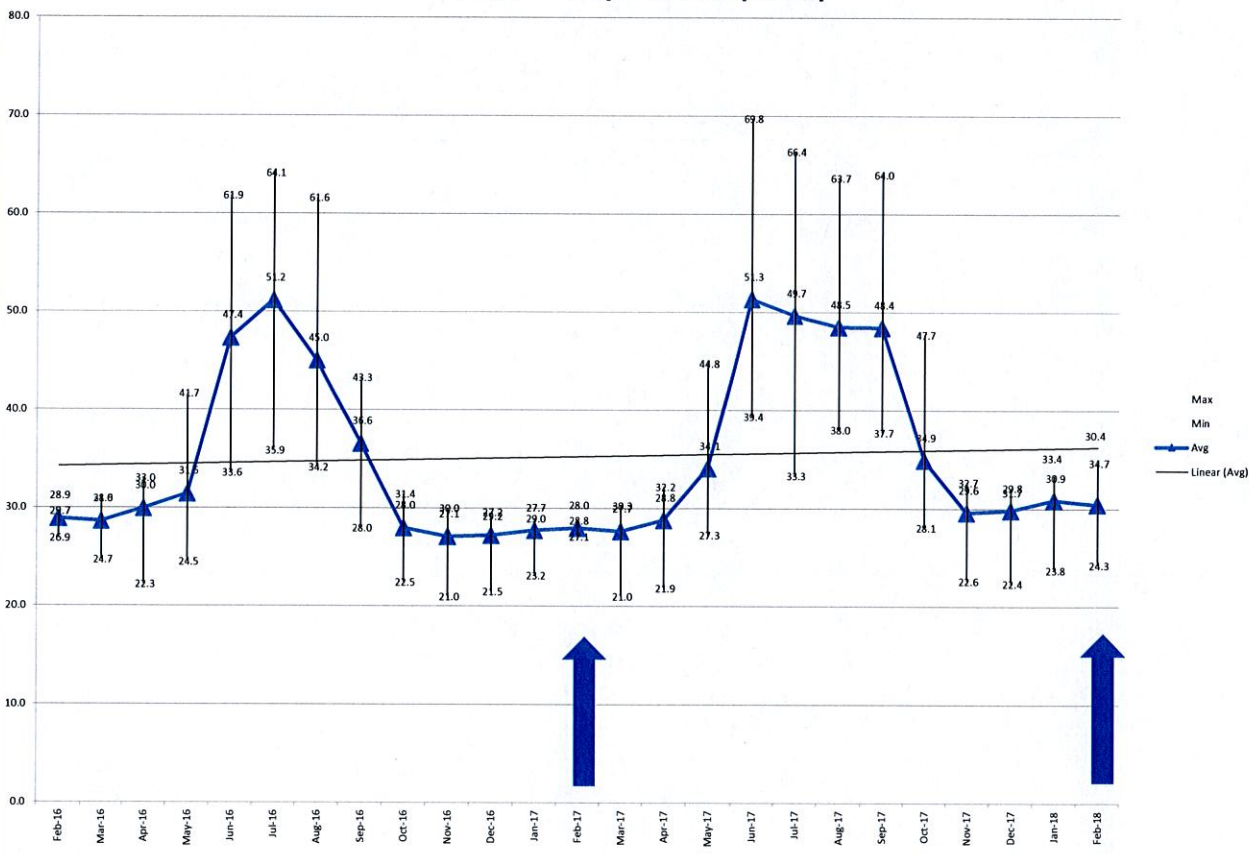
<u>Community</u>	<u>Scheduled</u>	<u>Received Executed Document</u>
Ada Township	3/12/18	
Caledonia Township	?	
Cascade Township	2/14/18	
City of East Grand Rapids	3/5/18	
Grand Rapids Charter Township	2/6/18	x
City of Kentwood	3/20/18	
Tallmadge Charter Township	?	
City of Walker	3/12/18	
Wright Township	2/21/18	x

If you have questions please contact me at (616) 456-3269 or meastman@grand-rapids.mi.us.

Sewer - Treated Flow (MGD)



Water - Pumped Flow (MGD)



Sewer - Treated Flow (MG) Compared to Rainfall (IN)



Water - Pumped Flow (MG) Compared to Rainfall (IN)



Water - Pumped Flow (MG) Compared to Temp (Deg Farenheit)



SEWAGE DISPOSAL SYSTEM			Fund:		5900
FINANCIAL REPORT					
QUARTER ENDING 02/28/18					
Description	FINAL FY17 BUDGET	ADOPTED FY18 BUDGET	Q3FYTD-FY17	Q3FYTD-FY18	FY18/FY17 VARIANCE
Retail Service Charges	\$ 48,025,309	\$ 49,025,359	\$ 27,840,986	\$ 28,158,365	\$ 317,379
Wholesale Service Charges	\$ 2,284,877	\$ 2,402,503	\$ 1,401,841	\$ 1,466,307	\$ 64,465
Sewer Surcharges	\$ 1,763,068	\$ 2,406,464	\$ 883,164	\$ 998,458	\$ 115,293
Front Footage Fees	\$ 130,175	\$ 115,240	\$ 61,241	\$ 74,197	\$ 12,956
Integrated Connection Fees	\$ 966,818	\$ 875,000	\$ 555,656	\$ 569,052	\$ 13,397
Miscellaneous	\$ 1,113,559	\$ 1,129,298	\$ 279,592	\$ 1,073,691	\$ 794,100
Total Revenue	\$ 54,283,806	\$ 55,953,864	\$ 31,022,480	\$ 32,340,069	\$ 1,317,590
Personal Services	\$ 10,732,967	\$ 10,753,277	\$ 5,774,658	\$ 6,274,434	\$ 499,776
Supplies	\$ 1,467,547	\$ 1,449,174	\$ 1,105,057	\$ 1,242,497	\$ 137,440
Other Services and Charges	\$ 13,297,880	\$ 12,443,581	\$ 8,150,848	\$ 8,729,453	\$ 578,604
Capital Outlay	\$ 207,953	\$ 211,257	\$ 20,531	\$ 161,672	\$ 141,140
Appropriation Lapse	\$ (1,531,000)	\$ (1,318,000)	\$ -	\$ -	\$ -
Transfers Out	\$ 2,864,899	\$ 3,088,089	\$ 1,933,358	\$ 2,081,737	\$ 148,379
Total Expenses	\$ 27,040,246	\$ 26,627,378	\$ 16,984,453	\$ 18,489,793	\$ 1,505,340
Net Income (Loss)	\$ 27,243,560	\$ 29,326,486	\$ 14,038,027	\$ 13,850,277	\$ (187,750)

WATER SUPPLY SYSTEM			Fund:		5910
FINANCIAL REPORT					
QUARTER ENDING 02/28/18					
Description	FINAL FY17 BUDGET	ADOPTED FY18 BUDGET	Q2FYTD-FY17	Q2FYTD-FY18	FY18/FY17 VARIANCE
Retail Service Charges	\$ 34,961,696	\$ 37,462,793	\$ 22,388,637	\$ 24,320,914	\$ 1,932,276
Wholesale Service Charges	\$ 3,549,981	\$ 3,527,110	\$ 2,421,383	\$ 2,528,784	\$ 107,401
Front Footage Fees	\$ 46,000	\$ 75,000	\$ 35,751	\$ 136,279	\$ 100,528
Integrated Connection Fees	\$ 930,000	\$ 950,000	\$ 602,540	\$ 596,213	\$ (6,327)
Sewage Disposal Fund-Customer Service	\$ 2,201,742	\$ 2,391,339	\$ 1,467,872	\$ 1,594,227	\$ 126,355
Penalties	\$ 1,204,000	\$ 1,287,733	\$ 837,891	\$ 829,769	\$ (8,122)
Miscellaneous	\$ 1,583,321	\$ 1,648,577	\$ 1,123,661	\$ 1,398,337	\$ 274,676
Total Revenue	\$ 44,476,740	\$ 47,342,552	\$ 28,877,734	\$ 31,404,522	\$ 2,526,788
Personal Services	\$ 12,493,146	\$ 11,953,689	\$ 7,039,471	\$ 7,281,957	\$ 242,486
Supplies	\$ 1,477,561	\$ 2,530,337	\$ 1,192,858	\$ 1,638,118	\$ 445,261
Other Services and Charges	\$ 12,918,957	\$ 12,567,015	\$ 7,255,915	\$ 7,412,507	\$ 156,591
Capital Outlay	\$ 571,164	\$ 493,767	\$ 216,797	\$ 159,927	\$ (56,869)
Appropriation Lapse	\$ (1,381,000)	\$ (1,375,000)	\$ -	\$ -	\$ -
Transfers Out	\$ 980,639	\$ 977,616	\$ 540,934	\$ 680,052	\$ 139,118
Total Expenses	\$ 27,060,467	\$ 27,147,424	\$ 16,245,975	\$ 17,172,561	\$ 926,586
Net Income (Loss)	\$ 17,416,273	\$ 20,195,128	\$ 12,631,759	\$ 14,231,961	\$ 1,600,202



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING DISTRICT OFFICE



C. HEIDI GRETHUR
DIRECTOR

February 20, 2018

IPP Community Representative
IPP Community address
IPP Community City, State ZIP

Dear IPP Representative:

SUBJECT: PFAS Source Evaluation and Reduction Requirements

You may have heard news recently about perfluoroalkyl and polyfluoroalkyl substances (PFAS, also referred to as PFCs), especially the specific chemicals PFOS (perfluorooctane sulfonate) and PFOA (perfluorooctanoic acid). The Department of Environmental Quality (DEQ), Water Resources Division (WRD), is requiring Wastewater Treatment Plants (WWTP) with Industrial Pretreatment Programs (IPPs) to evaluate potential sources of PFAS, investigate probable sources, reduce/eliminate the sources found, and take other actions to protect surface water quality as needed.

Background

PFAS are a group of manmade chemicals that have been widely used in industry and consumer products since the 1950s. They are most often associated with nonstick coatings; plating operations; firefighting foams; and stain- and water-resistant treatments for clothing, furniture, and carpeting.

Unfortunately, PFAS have been found to have adverse effects in laboratory animals and humans when ingested. PFAS are also very persistent in the environment and can bioaccumulate in animal and human tissue. The chemical PFOS in particular, due to its persistence and toxicity, has led to fish consumption advisories for some Michigan rivers. The applicable Water Quality Standard (WQS) (Michigan Rule 57 value) for PFOS is 12 ng/l (nanograms per liter or parts per trillion) for streams that are not used for drinking water and 11 ng/l for those that are used as a drinking water source. The applicable WQS for PFOA is 12,000 ng/l for lakes and streams that are not used for drinking water and 420 ng/l for those used as a drinking water source.

With some exceptions for limited industrial uses, chemical manufacturers in the United States voluntarily stopped making PFOA and PFOS, but they are still manufactured in other locations around the globe and may be imported through such consumer goods as carpets, paper and

packaging, coatings, etc. It is still legal to use existing stocks of PFOS-containing firefighting foams (Class B) in the US. These persistent chemicals may also be found in factories years after they were used.

The DEQ, WRD, has been conducting ambient stream monitoring of PFAS, as well as fish contaminant monitoring for several years. These efforts have led to more targeted point source monitoring in areas where ambient monitoring showed elevated levels of PFAS in surface waters. Recently, elevated PFOS levels in the Flint River led to point source sampling at a WWTP and then to an industrial user (a metal plater) that was found to be the primary source. WRD staff have been working with the WWTP and industrial user to identify and eliminate the source of the PFOS and address the disposal of accumulated biosolids contaminated with PFOS.

The DEQ is investigating this issue on a statewide, multimedia basis. The WRD is collecting PFAS effluent data from those WWTPs with the potential to discharge PFOS and PFOA as part of its routine monitoring and those that discharge to impacted water bodies. In addition to the DEQ's efforts, we are requiring you to evaluate potential sources within your sewer system.

Required Actions

As a WWTP with a required IPP, you are hereby required to take the following actions to ensure that your IPP is prohibiting discharges of PFOS or PFOA that would either (1) cause your WWTP to fail to comply with the requirements of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA) and/or (2) restrict the management of your biosolids. These actions are required under Part I.C.1.f.1 and Part I.C.1.f.2 of your National Pollutant Discharge Elimination System (NPDES) Permit, respectively. For item (1) above, your WWTP would be failing to comply with the NREPA if it is passing through PFOS and/or PFOA at concentrations greater than the applicable WQS.

Please consult your Regional IPP PFAS Specialist regarding any questions that you may have about any steps in the process described below. Staff maps may be found at www.michigan.gov/IPP.

1. **Conduct Initial Screening:** Conduct a review of your industrial users to identify industrial users that may be potential significant sources of PFOS and PFOA. The following types of industrial users may be potential significant sources of PFOS and PFOA:
 - metal finishers that are using, or have used, PFAS-containing wetting agents, demisters, defoamers, or surfactants in their plating tanks (generally platers that use, or have used, hexavalent chromium)

- landfills that have accepted waste from metal finishers using hexavalent chromium or other industries associated with PFAS use (e.g., tanneries, fabric/leather treaters, paper manufacturers)
- contaminated sites discharging wastewater potentially containing PFAS, including those associated with firefighting foam, certain metal finishing wastes, or water- or stain-repellent treatment chemicals
- centralized waste treatment facilities that accept any of the above wastewaters
- any other industrial users that use, or have used, the PFAS-containing chemicals discussed above.

Resources that describe potential sources of PFAS may be found on the Michigan.gov/IPP Web page.

2. **Develop a Monitoring Plan:** Once you have developed a list of *potential* PFAS sources, you will need to evaluate each one to determine whether it is a *probable* source of PFAS and develop a strategy for sampling these probable sources. You will likely need to review records and interview your contacts to find out which sources use/have used or accept/have accepted PFAS-containing materials or wastes. Please note that since these chemicals are persistent and heavy, they may settle at the bottoms of tanks and pits and be present long after PFAS-containing chemicals were used. Please document your evaluation so that you may submit your results as part of the Interim Report in Item 6 below.

Once you have a list of probable sources, develop a plan to monitor them. Your plan will most likely include your commitment to monitor all your probable sources and the sampling protocol that you will follow. If you plan to monitor all of your probable sources by June 29, 2018, no DEQ, WRD, preapproval of your plan is required. In this case, you may submit your plan along with the results with your Interim Report (see Item 6 below). If you would like to pursue an alternative sampling strategy, including an extension of the due dates, propose this plan to the DEQ, WRD, for approval by May 1, 2018. For example, you may be able to eliminate several probable sources located near one another with one downstream collection system sample. If you have many probable sources, you may also need more time to conduct monitoring. Please contact your Regional IPP PFAS Specialist if you wish to propose an alternative sampling strategy, including an extension of the time needed, for approval. All alternative monitoring plans shall be submitted via MiWaters as an *IPP Unscheduled Submission for Approval*.

3. **Perform Source Monitoring:** Sample the discharge from each probable source identified in your monitoring plan for PFAS, using grab samples, and following the recommended sampling protocol to prevent cross-contamination. Although PFOS and PFOA are the primary pollutants of concern at this time, the laboratory analysis will include concentrations of a number of PFAS. As our understanding of these emerging pollutants progresses, this information will likely be useful. Currently, there are no

United States Environmental Protection Agency (USEPA)-approved methods for PFAS analysis of wastewater or biosolids. The USEPA is currently proceeding with external validation of ASTM D7979, although USEPA Method 537 (modified) is commonly used and is acceptable for analysis until ASTM D7979 is approved. A modification of the USEPA Method 537 may also be approved for wastewater and biosolids at some point. Once there is an approved method, only approved method(s) may be used for all NPDES and IPP monitoring. Regardless of the method used, please be sure to use a laboratory with good quality assurance/quality control practices. We understand the costs associated with this effort, but it is necessary due to the potential impacts on human health and the impairment of fisheries. Recommended sampling protocol will be posted to the DEQ's IPP Web page at www.michigan.gov/IPP when it becomes available.

4. **Reduce/Eliminate PFOS and PFOA Sources:** If significant sources of PFOS and/or PFOA are found through source monitoring (Item 3 above), you are required to follow-up with the source(s) to reduce and/or eliminate these pollutants in their effluent. Note that for PFOS, loading is important since it bioaccumulates. Source reduction and elimination efforts may include product substitution, operational controls, pretreatment, and clean-up of historical contamination.
5. **Evaluate Impacts:** If you find sources discharging PFOS and/or PFOA to your WWTP from this monitoring, you are required to monitor your WWTP effluent for PFAS. Please see the discussion of PFAS sampling and analysis methods in Item 3 of this letter. If effluent results are found to be greater than the applicable WQS, you are required to submit the data to the DEQ, WRD, within ten (10) days via MiWaters (as an NPDES Unscheduled Permit Required Report schedule) and consult with your Regional IPP PFAS Specialist to discuss follow-up actions, which may include additional monitoring.
6. **Submit an Interim Report:** Summarize the information, data collected, and evaluation conducted to-date for Items 1 through 5 above for submittal to the DEQ, WRD, via MiWaters by **June 29, 2018**. We understand that source reduction work may be ongoing. A specific schedule and form will be available in MiWaters for submittal of this information.
7. **Continue Source Reduction and Monitoring:** Unless no PFAS sources were found, continue to reduce and eliminate sources of PFAS to your WWTP and conduct follow-up monitoring of sources and at your WWTP as needed. Depending on the information submitted in your Interim Report, the DEQ, WRD, may require additional monitoring or specific actions.
8. **Submit a Summary Report:** Unless you were sent a letter from the DEQ, WRD, requiring no further action in response to your Interim Report submittal, please submit the results of any additional monitoring data (WWTP effluent, biosolids, or source monitoring) and a summary of PFOS and/or PFOA source reduction and/or elimination efforts to the DEQ, WRD, by **October 26, 2018**. A specific schedule and form will be available in MiWaters for submittal of this information. IPP staff will review the information reported and will contact you about any required follow-up actions.

More Information

The DEQ, WRD, will be holding regional meetings to discuss the technical aspects of the IPP PFAS Initiative, including a description of expectations for the initial screening, monitoring plans, probable source monitoring, and evaluation, as well as information about sampling and analysis protocol and source reduction. We strongly urge you to send one or more IPP professionals to one of these meetings so that you understand what the WRD is requiring and help you make the best use of local resources. The meetings are planned for March 2018 as listed below, and are also posted on the www.michigan.gov/IPP Web page. Invitations will also be sent via electronic mail.

March 12 – 9:30 AM-12:00 PM
Schoolcraft College – Vista Tech Center, Room – VT500D
18600 Haggerty Road
Livonia, Michigan 48152

March 14 – 9:30 AM-12:00 PM
Grand Valley State University – LV Eberhard Center, Room EC 215-AB
301 West Fulton
Grand Rapids, Michigan 49504

March 27 – 9:30 AM-12:00 PM
Mt. Pleasant Comfort Inn and Suites, Room Break-C
2424 South Mission
Mount Pleasant, Michigan 48858

To find out more about PFAS, including typical sources, go to <http://www.michigan.gov/pfasresponse> and scroll down for informational links. This information is also available on the www.michigan.gov/IPP Web page.

Please be aware that compliance with the requests outlined in this letter does not constitute a release or waiver of liability for compliance with your NPDES permit, your NPDES permit application, or Part 31 of the NREPA.

Thank you for your cooperation in this matter. If you have questions or comments about this effort, please contact your Regional IPP PFAS Specialist.

Sincerely,



Teresa Seidel, Director
Water Resources Division

cc: Municipal Clerk
District IPP Coordinator (electronic)